

News Release



U.S. Department of Labor
Office of Public Affairs
Chicago, Ill.
Release Number 04-72-CHI

For Immediate Release
Date: April 22, 2004
Contact: Gloria Della
Phone: (202) 693-8664

U.S. Labor Department Sues Minn. Company, Executive for Withholding Employee IRA Contributions

MINNEAPOLIS – The U. S. Department of Labor has sued The Lampland Company Inc. of Rochester, Minn., and its chief executive officer for failing to forward contributions withheld from employees' paychecks to the company's SIMPLE IRA plan. The money was used for operating expenses and remains commingled with the company's general assets.

"Our legal action reaffirms the department's commitment to protect the hard-earned benefits promised to employees," said Robert Webber, acting director of the department's Employee Benefits Security Administration's (EBSA) regional office in Kansas City, which investigated the case.

The department's lawsuit, filed in federal district court in Minneapolis, alleges that corporate executive Jay A. Lampland failed to forward to the plan contributions withheld from employees' paychecks from April through December 2000. During that time, Lampland was the CEO, president and director of the company. The department is seeking repayment of the contributions plus interest.

Lampland Company is a privately owned corporation that makes underground tunnels such as storm sewers. As of Dec. 31, 2000, the plan had \$12,443.43 in assets and five participants, including Lampland.

Employers with similar problems, who are not yet the subject of an investigation by EBSA, may be eligible to participate in the department's Voluntary Fiduciary Correction Program (VFCP). Participation in the VFCP requires employers to make workers whole but allows them to avoid EBSA enforcement actions, civil penalties and any applicable excise taxes. For more information go to www.dol.gov/ebsa.

In fiscal year 2003, EBSA achieved record monetary results of \$1.4 billion related to the pension, 401(k), health and other benefits of millions of American workers and their families. Employers and workers can contact the regional office at 312-353-0900 or through EBSA's toll free number, **1-866-444-EBSA (3272)** for help with problems relating to private-sector retirement and health plans.

###

(Chao v. The Lampland Company, Inc.)
Civil Action No. 04-CV-1667

U.S. Labor Department releases are accessible on the Internet at <http://www.dol.gov>. The information in this news release will be made available in alternate format upon request (large print, Braille, audio tape or disc) from the COAST office. Please specify which news release when placing your request at (202) 693-7765 or TTY (202) 693-7755. The U.S. Department of Labor is committed to providing America's employers and employees with easy access to understandable information on how to comply with its laws and regulations. For more information, please visit <http://www.dol.gov/compliance>.